

<p align="center">2003-2004 ANNUAL REPORT</p>

CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Major Collectors and Arterials Fund

The Major Collectors and Arterials Fund is for the collection of monies owed by developers for previously completed street improvements. Funds are also utilized for median island landscaping projects.

Major Collectors and Arterials Fund

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 178	\$ 162	\$ (16)	(9.0%)
<i>Expenditure</i>	686	619	67	9.8%
<i>Fund Balance (est. *)</i>	2,209 *	2,128	(81)	(3.7%)

Total revenues (\$162,000) were slightly (\$16,000) lower than budgeted. The negative variance was due to lower than anticipated interest earnings and other revenue (\$15,000) combined with lower than anticipated developer contributions (\$1,000). During 2003-2004, developer contributions were lower than the \$250,000 Adopted Capital Budget estimate (by \$151,000) that had been a fairly standard collection levels for several years and was also used to develop the 2005-2009 Capital Improvement Program. Given the weak performance of this revenue in 2003-2004, the modified budget for the revenue was reduced to \$100,000 as part of the year-end clean-up actions.

The 2003-2004 ending fund balance negative variance of \$81,000 reflects the lower than estimated revenues from developer contributions and interest earnings (\$148,000), along with lower than anticipated expenditures (\$67,000). This downward adjustment to the fund balance will not impact the ability to fund projects in 2004-2005 due to the significant ending fund balance in this fund in 2003-2004. Most of this additional fund balance is recommended for rebudget as part of this report to provide sufficient funding for projects in the current year.